



Council of Economic Advisors
Town Hall
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Minutes
Council of Economic Advisors
Wednesday, September 9, 2020 9:00 a.m.
Zoom Meeting ID 840 2622 0888
Approved October 14, 2020

Members Present: Adam Block, Tina Burgos, Glen Cammarano, Bill Day, Virginia Fleisher, Robert Hentschel, Maurice Handel, Adam Meixner, David Montgomery, Rick Putprush, Matthew Talcoff, Michael Wilcox

Members Absent: Stuart Agler, Anne Marie Dowd, Ted Owens

Others Present: Maureen Callahan, Rep. Denise Garlick's office; Lise Elcock, Newton Needham Chamber of Commerce; Amy Haelsen, Economic Development Manager; Katie King, Assistant Town Manager; Tim McDonald, Director of Public Health; Lee Newman, Director of Planning and Community Development

Adam Block, Chair, opened the meeting at 9:00 a.m.

1. Update on COVID-19 Impact - Issues and Concerns on Local Businesses

Mr. Meixner provided an update on office occupancy in Needham. He shared that things remains relatively busy in the Route 128 market. In the last six weeks his firm has signed five new leases including a few companies that will move from Newton into Needham. There have also been several tenants that are renewing their leases for office space in Needham. The Boston office market continues to struggle. Many companies in Boston are looking to expand and have satellite offices in the suburbs to accommodate employees who don't want to take public transportation, deal with traffic, or be in high rise buildings with elevators. Mr. Meixner is getting the sense that more people are now interested in returning to the office and this will likely ring true when the winter months hit. He added that many landlords are being more flexible with free rent periods and concession but less likely to reduce rent as it may impact their property valuations and/or their lenders may not allow them to. He further commented that there has been an uptick in sublease opportunities and just because more people are working remotely doesn't mean that a company can terminate their lease as they still have a legal and financial obligation to do so.

Mr. Hentschel added that many companies are still using the Payroll Protection Program loans to keep them going and when tenants have to stand on their own two feet things

will likely be very different. Back in the spring there was a sense of panic but when the government stepped in it helped calm people down. Right now, his company's portfolio is experiencing favorable tenant deferrals but things may be different in a few months. He added that they have seen a lot of leasing activity over the summer. Mr. Talcoff commented that vacancies left by some restaurants and retailers are providing opportunities for companies like Dunkin Donuts. Mr. Putprush shared that he is concerned about the impending cold weather and the impact on restaurants. He added that the industrial/warehouse market is currently doing very well. Mr. Wilcox commented on the state of lab sector and that there is increased activity in the suburbs near Lexington. In many of this company's properties, the cafes have not reopened, and the fitness centers have reopened with limited capacity. Mr. Cammarano shared that auto sales have been steady but are still down from what they were pre-COVID. The biggest challenge is inventory since manufacturers are only providing them with about half of what his dealership needs to sustain sales.

Mr. McDonald shared that public health data on COVID-19 in Massachusetts continues to trend in a positive direction. There has not been updated guidance recently from the state resulting in any changes for the commercial sector, but he anticipates there will be announcements soon as the colder weather is coming soon which will impact food services operating outdoors. He added that the town's Public Health Department will be coordinating upcoming flu vaccine clinics with the first one being on September 23rd.

Ms. Burgos commented that overall business was slow for retailers in August which is pretty typical every year as many people are away on vacation but she is hoping things will pick up throughout September. She participated in a meeting the day before, as did Mr. Block, Mr. Handel and Ms. Haelsen, by the Newton Needham Chamber of Commerce on its 100 Day Shop Dine Local Needham campaign. The campaign is encouraging support of Needham businesses through increased social media posts, cross promotions with other businesses, and giveaways. She is concerned that it is a lofty proposal and these types of initiatives take months to build and that small businesses are currently overwhelmed and trying to make it through until the end of the year with holiday sales. Mr. Block commented that there may be an opportunity to create some linkages, for example, with Beth Israel Deaconess Needham or other companies that have dozens of local employees, to get them to participate in some way.

Ms. Elcock updated the Council on the campaign citing that the Chamber's Needham Business Alliance was looking for a way to highlight local businesses in the 4th quarter in lieu of the annual Harvest Fair that would not be taking place this fall due to COVID-19. TrakTek Partners, a digital marketing agency located in Needham, has spearheaded the creation of the campaign pro-bono. The creation of the campaign was also in response to feedback from local businesses which said they did not want a sidewalk sale or any other effort to attract large groups of people to the downtown on any given day, but rather have an effort spread out throughout several months to generate support and sales. The campaign will kick off on September 15th and will rely on the participation of local businesses to make it successful. Ms. Elcock added that small businesses will be recording short videos to promote themselves, focusing on how they support the

community, what it means to be a part of Needham, what special items or services they offer, etc. TrakTek has created a special Facebook landing page and hashtags for the campaign. The success of the campaign is going to rely on participation from the businesses, residents and the town. Mr. Block commented that he would like to see how retail can be brought to office workers if the workers can't get to the retailers themselves and wants to think of some creative ways in which we can support our local retailers.

2. Minutes of July 1 and August 5, 2020

Mr. Montgomery offered a change to the minutes from August stating that he was listed as both absent and present for that meeting. He was, in fact, absent. Mr. Handel made a motion to adopt the minutes of July 1 and August 5, 2020 subject to the change noted by Mr. Montgomery. Mr. Day seconded the motion. The motion was unanimously approved.

3 . Planning and Development Department Business Permits Issued

Ms. Newman reported that the Zoning Board of Appeals issued a permit for the Needham Pool and Racquet Club to add three additional paddle board courts and a warming hut which will be operational from October through April. In addition, there are two applications pending in front of the ZBA including Baker's Best on Gould Street for parking waivers to make their take-out business permanent as they don't currently have sufficient parking for that use. The other is a dental practice looking to go into 100 2nd Avenue.

The Planning Board is reviewing an application for a special permit by PetCo to expand their veterinary services. In addition, Boston Children's Hospital will soon file with the Planning Board within in the next month. They currently have an application before the Design Review Board for their site plan and elevation plans reviewed which is preliminary to the actual filing of the site plan approval by the Planning Board. In response to an inquiry from Mr. Putprush on the status of redevelopment of two parcels, Ms. Newman reported that 1180 Great Plain Avenue is currently in litigation, the ZBA had approved the permit for this development but it was appealed, and no applications for the Hillcrest Gardens property have been submitted to the Planning Department.

4. Other Business

Update on Highway Commercial 1 - Ms. Newman reported that the Town created a working group, which includes representatives from the Planning Board, the Select Board, and the Finance Committee, to oversee a traffic study being conducted by GPI. The traffic study will model three different development alternatives on the Channel 5 and Muzi Ford properties. GPI has begun their work on the first option they are going to model which has a FAR (floor area ratio) at 1.35, which is a reduction of what was originally proposed at 1.75. Ms. Newman expects that this work will be done within the month and the results will be reviewed by the working group which will help them determine what alternative models, if any, the town wants to explore. Ms. Newman added that she would also like to share the data on the first traffic study with the members of the

CEA to keep them informed on what the implications are for development at this site. Mr. Block offered that members of CEA who offered support on financial modeling for this site would be willing to do so again. Ms. Newman said that would be helpful on an informal basis and added that the town would be hiring consultants for a thorough fiscal impact study. In response to Mr. Talcoff's inquiry about whether retail and grocery store use was being considered for this parcel, Ms. Newman said that the working group is not considering that as a possibility. Mr. Talcoff commented that while there was some pushback from residents on this idea, it was a small representation of the town and may not be indicative of how the majority of residents feel and that these possibilities should still be considered. Mr. Montgomery added that those opposing these types of development were very passionate and that one of the concerns is this area is a gateway to Needham and the impression people get when entering the town from that area. He added that this opposition was one of the reasons the zoning by-law did not pass at town meeting.

Northland Project –Ms. Newman said she would get an update on the status.

Highland Avenue Project – Ms. King reported that Mass DOT has coordinated with utility companies to have some of the preliminary work done before the contractors begin construction. Meetings with DOT representatives have started up again, so the project is still on track to begin this fall.

Mr. Block recognized that this is the first CEA meeting with Ms. Haelsen as the new Economic Development Manager since starting her position on August 24. Ms. Haelsen shared her appreciation for the warm welcome and support from town staff, CEA members, and elected officials. She added that she has spent time meeting with several local businesses and wants to be visible throughout town.

Mr. Hentschel inquired about the possibility of meeting in person at some point soon. Mr. Handel responded that the town continues to work on guidelines that spell out what the conditions will need to be in order to conduct any type of business safely in person. Mr. McDonald added that the guidelines are based on a combination of health considerations and technological considerations of the public buildings in town. Mr. Hentschel followed up with asking about what the threshold is for returning to normal as Needham is under 5% positive COVID-19 cases. Mr. McDonald responded that 5% is the threshold to begin opening up from a fairly complete lockdown and economic shutdown but still requires social distancing, mask wearing, and other precautions. He believes that these restrictions will be in place until there is a vaccine. Mr. McDonald added that light pole banners were installed in Needham Center that encourage people to shop local and be safe while doing so, a suggestion that was made by the CEA. Mr. Handel commented that he is concerned about what the winter months will mean for local businesses, particularly the restaurants that have relied on outdoor dining.

5. Adjournment

The meeting adjourned at 10:10 a.m.